

2.A OASDI: Effect of Current Earnings & Taxation of Benefits

Table 2.A32.—Taxation of Social Security benefits: Examples

Modified adjusted gross income ¹	Amount of benefits ²	One-half of bene- fits ²	Income to be compared with base amount	Relevant base amount	Income in excess of base amount	One-half of excess	85 percent of excess income	One-half of income between upper and lower base amounts	85 percent of benefits	Benefits included in gross income	
										If income does not exceed upper base amount— lesser of one-half of benefits or one-half of income between base amounts plus 85 percent of income over upper base amount	If income exceeds upper base amount— lesser of 85 percent of benefits or one-half of income between base amounts plus 85 percent of income over upper base amount
A	B	C	D = A + C	E	F = D - E	G = F / 2	H = F * .85	I	J = B * .85	Lesser of C and G	Lesser of J and I + H
Married filing jointly											
\$25,000	\$10,000	\$5,000	\$30,000	\$32,000	0	...	...	...	...	...	...
\$28,000	10,000	5,000	33,000	32,000	\$1,000	\$500	...	...	...	\$500	...
\$33,000	10,000	5,000	38,000	32,000	6,000	3,000	...	...	...	3,000	...
\$38,000	10,000	5,000	43,000	32,000	11,000	5,500	...	...	...	5,000	...
\$40,000	10,000	5,000	45,000	44,000	1,000	...	\$850	\$6,000	\$8,500	...	\$6,850
\$43,000	10,000	5,000	48,000	44,000	4,000	...	3,400	6,000	8,500	...	8,500
Married filing separate returns ³											
0	\$6,000	\$3,000	\$3,000	0	\$3,000	...	\$2,550	0	\$5,100	...	\$2,550
\$2,000	6,000	3,000	5,000	0	5,000	...	4,250	0	5,100	...	4,250
\$4,000	6,000	3,000	7,000	0	7,000	...	5,950	0	5,100	...	5,100
\$10,000	6,000	3,000	13,000	0	13,000	...	11,050	0	5,100	...	5,100
\$20,000	6,000	3,000	23,000	0	23,000	...	19,550	0	5,100	...	5,100
Individuals in all other filing categories											
\$20,000	\$8,000	\$4,000	\$24,000	\$25,000	0	...	...	...	...	...	...
\$25,000	8,000	4,000	29,000	25,000	\$4,000	\$2,000	...	...	...	\$2,000	...
\$30,000	8,000	4,000	34,000	25,000	9,000	4,500	...	...	...	4,000	...
\$32,000	8,000	4,000	36,000	34,000	2,000	...	\$1,700	\$4,500	\$6,800	...	\$6,200
\$35,000	8,000	4,000	39,000	34,000	5,000	...	4,250	4,500	6,800	...	6,800
\$40,000	8,000	4,000	44,000	34,000	10,000	...	8,500	4,500	6,800	...	6,800

¹ Adjusted gross income (before Social Security or Railroad Retirement benefits are considered), plus tax-exempt interest income, with further modification of adjusted gross income in some cases involving certain tax provisions of limited applicability among the beneficiary population.

² Social Security and Tier 1 Railroad Retirement benefits, including workers'

compensation benefits to the extent they cause a reduction in either of these two types of benefits.

³ Includes only married taxpayers filing separately who lived with their spouse at any time during the tax year; married individuals filing separately who did not live with their spouse are treated the same as unmarried individuals.